

Agency Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	7.00	0.00	0.00	7.00	0.00	0.00	7.00	7.00
Personal Services	443,615	37,516	15,719	496,850	38,150	35,708	517,473	1,014,323
Operating Expenses	262,606	51,982	83,920	398,508	30,460	10,000	303,066	701,574
Grants	449,188	0	10,000	459,188	0	12,500	461,688	920,876
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$1,155,409	\$89,498	\$109,639	\$1,354,546	\$68,610	\$58,208	\$1,282,227	\$2,636,773
General Fund	399,976	44,467	99,789	544,232	20,666	35,981	456,623	1,000,855
State/Other Special	185,091	15,292	5,166	205,549	16,960	11,663	213,714	419,263
Federal Special	570,342	29,739	4,684	604,765	30,984	10,564	611,890	1,216,655
Total Funds	\$1,155,409	\$89,498	\$109,639	\$1,354,546	\$68,610	\$58,208	\$1,282,227	\$2,636,773

Agency Description

The Montana Arts Council (MAC) is authorized by Title 22-2-101, MCA to assist public and private institutions with artistic and cultural activities. The council encourages participation in, and appreciation of, the arts. The council fosters interest in the state's cultural heritage, expands state cultural resources, and supports freedom of artistic expression through ongoing programs and projects. The council administers the Cultural and Aesthetic Project grants and other grants approved by the legislature, and makes recommendations to the legislature on arts related issues.

Agency Highlights

Montana Arts Council Major Budget Highlights	
♦	Present law includes \$158,000 of additional funding over the biennium <ul style="list-style-type: none"> • All but \$32,500 of the increase is due to present law adjustments for rent, miscellaneous expenses, and statewide present law adjustments • New proposals for IT needs and grants for arts education were approved

Summary of Legislative Action

The legislature approved statewide present law and other present law increases for increased rent and moving costs, personal services increased costs and increases for the pay plan included in House Bill 13, per diem costs, legal fees, records management, out-of-state travel costs, and production and printing costs for the MAC newspaper.

The legislature also approved a change in the allocation of costs for the biennial legislative audit. Previously 100 percent of the audit costs were allocated to the general fund. The legislature switched the funding to include support of state special revenue and federal funds. The costs are included as part of the statewide present law adjustments.

New proposals for increased support for information technology assistance and grants to schools for art education were also approved. The legislature appropriated \$73,920 in one-time-only general fund for the MAC to contract for a database rewrite. The current system is over 10 years old and the rewrite should significantly increase the functionality of the system.

Agency Discussion

In the 2007 biennium the agency received \$150,000 to replace funding that was eliminated through general fund reductions made in the 2003 session. The funding increased the FY 2006 base amount and is continued in the 2009 biennium. The following figure shows the amounts and uses of the additional funds.

As shown, \$27,500 was used for the Leadership Institute Program previously funded with private grants. The Leadership Institute Program provides training for nonprofit Boards of Directors. MAC also allocated \$14,000 to the Arts Education Program for grants and training and used the remaining funding for opportunity and professional development grants. Grants overall declined by \$13,000 from the FY 2006 budget request due to a \$24,500 federal funding reduction and shifting of costs to offset the reduction in the private grant.

Montana Arts Council 2006 Expenditures for Additional Funding			
	Initial Allocation	2006 Actual Allocation	2006 Actual Expenditures
Arts Program	\$30,000	\$15,000	\$14,000
Arts Business Services	54,000	27,000	
Grants to Local Communities	32,000	16,000	33,500
Unspecified Reductions	34,000	17,000	
Leadership Institute	\$0	\$0	27,500
Total	<u>\$150,000</u>	<u>\$75,000</u>	<u>\$75,000</u>

Included in the new proposals are increases for computer database programming and LAN administration and an increase for arts education in the schools.

Other Legislation

House Bill 9 established priorities for the Cultural and Aesthetic Project grants and provided a transfer of \$1.5 million to the cultural and aesthetic trust fund account. The intent of the transfer is to increase the corpus of the trust resulting in increased interest earnings to provide additional funding for MAC programs and projects. This transfer replaces the final \$500,000 of the corpus reduction made in 1997 for the purchase of Virginia and Nevada cities and further increases the trust by \$1 million. The bill appropriates \$698,770 in interest earnings to MAC for grant awards and allows for the re-appropriation of grant amounts should money in the account prove to be insufficient to fund approved projects in the 2007 biennium.

House Bill 811 established a traditional arts and crafts account in the state special revenue fund. The intent of the bill is to allow the MAC to purchase and sell traditional American Indian arts and crafts. In FY 2006, the Governor's Office transferred \$25,000 from the Office of Economic Opportunity to MAC to support an American master Indian artist state parks partnership pilot project. The program design included sales of art work to generate funds to purchase additional art with the goal of creating an outlet for Native American artists. The account allows MAC to track the sales of the art work and use the funds to purchase additional inventory for resale.

Senate Bill 62 increased the reimbursement amount for advisory council members. The legislature considered but did not approve increasing general fund support to MAC for the estimated \$3,000 additional cost associated with this legislation.

Executive Budget Comparison

The following table compares the legislative budget in the 2009 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2006	Executive Budget Fiscal 2008	Legislative Budget Fiscal 2008	Leg – Exec. Difference Fiscal 2008	Executive Budget Fiscal 2009	Legislative Budget Fiscal 2009	Leg – Exec. Difference Fiscal 2009	Biennium Difference Fiscal 08-09
FTE	7.00	7.00	7.00	0.00	7.00	7.00	0.00	
Personal Services	443,615	481,131	496,850	15,719	481,765	517,473	35,708	51,427
Operating Expenses	262,606	389,350	398,508	9,158	293,725	303,066	9,341	18,499
Grants	449,188	459,188	459,188	0	461,688	461,688	0	0
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$1,155,409	\$1,329,669	\$1,354,546	\$24,877	\$1,237,178	\$1,282,227	\$45,049	\$69,926
General Fund	399,976	529,178	544,232	15,054	433,773	456,623	22,850	37,904
State/Other Special	185,091	200,390	205,549	5,159	202,058	213,714	11,656	16,815
Federal Special	570,342	600,101	604,765	4,664	601,347	611,890	10,543	15,207
Total Funds	\$1,155,409	\$1,329,669	\$1,354,546	\$24,877	\$1,237,178	\$1,282,227	\$45,049	\$69,926

The legislative budget includes an increase of \$9,000 each year for increased rent for the MAC. The cost of new rental space was determined to be higher than anticipated in the original executive budget.

Funding

The following table summarizes funding for the agency, by program and source, as adopted by the legislature.

Program Funding Table Promotion Of The Arts							
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009	
01000 Total General Fund	\$ 399,976	34.6%	\$ 544,232	40.2%	\$ 456,623	35.6%	
01100 General Fund	399,976	34.6%	544,232	40.2%	456,623	35.6%	
02000 Total State Special Funds	185,091	16.0%	205,549	15.2%	213,714	16.7%	
02009 Cultural And Aesthetic Project	185,091	16.0%	205,549	15.2%	213,714	16.7%	
03000 Total Federal Special Funds	570,342	49.4%	604,765	44.6%	611,890	47.7%	
03016 Nea Funds-Basic State Grant	512,341	44.3%	546,765	40.4%	553,890	43.2%	
03017 Nea Funds-Arts In Education	58,001	5.0%	58,000	4.3%	58,000	4.5%	
Grand Total	\$ 1,155,409	100.0%	\$ 1,354,546	100.0%	\$ 1,282,227	100.0%	

The agency is funded with a combination of general fund, state special revenue funds from cultural and aesthetic trust fund interest earnings, and federal funds from the National Endowment for the Arts.

The coal severance tax fund shared account supports the Montana Arts Council's administration of the cultural and aesthetic trust activities and its Folklife Program, which promotes Montana's traditional and native arts and cultures. Interest earnings from the corpus of the cultural trust support the Cultural and Aesthetic Program projects funded in HB 9. The Montana Arts Council administers the Folklife Program and the Cultural and Aesthetic Project grants supported by coal tax severance funds. In FY 2006 MAC expended \$55,000 on the Folklife Program and \$130,000 for project administration. Due to increases in coal tax interest, state special revenues are increased \$32,200 over the 2009 biennium. The legislature approved using \$15,800 of the increase to fund statewide present law adjustments and the remaining \$16,400 for requested present law adjustments.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----						-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					34,366					36,275
Inflation/Deflation					2,655					2,868
Fixed Costs					14,382					(4,544)
Total Statewide Present Law Adjustments					\$51,403					\$34,599
DP 5 - Rent Increase & Relocation Expenses										
0.00	18,582		7,536	5,182	31,300	0.00	14,916	8,044	5,532	28,492
DP 6015 - State Motor Pool Rate Change										
0.00	(15)		(7)	(20)	(42)	0.00	(15)	(7)	(21)	(43)
DP 51401 - Present Law Cost Adjustments										
0.00	2,772		259	3,806	6,837	0.00	2,397	634	2,531	5,562
Total Other Present Law Adjustments										
0.00	\$21,339		\$7,788	\$8,968	\$38,095	0.00	\$17,298	\$8,671	\$8,042	\$34,011
Grand Total All Present Law Adjustments					\$89,498					\$68,610

DP 5 - Rent Increase & Relocation Expenses - The legislature provided a general fund appropriation of \$31,300 in FY 2008 and \$28,492 in FY 2009 for rent and moving expenses. FY 2008 costs include funding for moving expenses and rewiring. Increased rent of \$9,200 per year was provided as the new location has been determined and the cost is higher than first anticipated.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool was reduced from the level requested by the Governor.

DP 51401 - Present Law Cost Adjustments - The legislature provided \$5,169 general fund, \$893 state special revenue, and \$6,337 in federal funds over the biennium for anticipated costs of per diem for the council, cultural and aesthetic projects, and the Citizens Advisory Panel, as well as other adjustments including legal fee cost increases, records management cost increases, out-of-state travel costs, and increased production and printing costs for the MAC newspaper.

New Proposals

New Proposals										
-----Fiscal 2008-----						-----Fiscal 2009-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - LAN Administration, Hosting, and Server Needs										
01	0.00	10,000	0	0	10,000	0.00	10,000	0	0	10,000
DP 2 - Arts Education in K-12 Schools										
01	0.00	10,000	0	0	10,000	0.00	12,500	0	0	12,500
DP 8 - Database Re-Write - OTO										
01	0.00	73,920	0	0	73,920	0.00	0	0	0	0
DP 6013 - 2009 Biennium Pay Plan - HB 13										
01	0.00	5,647	4,985	4,523	15,155	0.00	13,244	11,473	10,398	35,115
DP 6014 - Retirement Employer Contribution - HB 131										
01	0.00	222	181	161	564	0.00	237	190	166	593
Total	0.00	\$99,789	\$5,166	\$4,684	\$109,639	0.00	\$35,981	\$11,663	\$10,564	\$58,208

DP 1 - LAN Administration, Hosting, and Server Needs - The legislature provided \$10,000 of general fund in each year of the biennium for the Montana Arts Council to contract for information technology assistance.

DP 2 - Arts Education in K-12 Schools - The legislature included increased funding for grants to schools relating to integration of arts education into school curriculum. The grants focus on rural schools' access to curriculum through workshops and cooperative agreements. They also provide professional development for teachers who may not have received art education as part of their course work.

DP 8 - Database Re-Write - OTO - The legislature included a one-time-only appropriation of general fund in FY 2008 to re-write the MAC database to convert the current database to one with more updated software languages. The goal of the project is to increase response time to customers and reduce staff time when creating reports and other printed materials.

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in FY 2008 and an additional \$36 per month in FY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contribution - HB 131 - The legislature adopted HB 131, which increases the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.

Language

"All federal funds in [Montana Arts council] are biennial appropriations."